GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:32
ANSWERED ON:18.07.2017
Price Support Scheme
Joshi Shri Chandra Prakash

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Government has received any proposal seeking to increase the scope of Price Support Scheme (PSS) for agricultural produce including pulses and if so, the details thereof along with the response of the Government thereto;

(b) whether the Government has appointed any research committee to increase the support price of agricultural produce and, if so, the details thereof;

(c) if not, the reasons therefor and the time by which the proposal is likely to be considered by the committee;

(d) whether the Government has fixed the support price for pulses in conformity with the production cost of farmers in the present scenario and if so, the details thereof; and

(e) the various steps taken by the Government to provide adequate Minimum Support Price for pulses?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
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(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 32 DUE FOR REPLY ON 18TH JULY, 2017.

(a) & (b): No, Madam.

(c): Does not arise.

(d): Yes, Madam. Government decides the MSPs for various agricultural commodities after examining the recommendations of Commission for Agricultural Costs and Prices (CACP). While formulating its recommendations on price policy, CACP considers various important factors that include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc. CACP also consults State Governments and other stakeholders. While recommending MSPs, the CACP keeps in view (i) the need to provide incentive to the producer for adopting improved technology and for developing a production pattern broadly in the light of national requirements; (ii) the need to ensure rational utilization of land, water and other production resources; (iii) the likely effect of the price policy on the rest of the economy, particularly on the cost of living, level of wages, industrial cost structure, etc. and (iv) terms of trade between agricultural sector and non-agricultural sector. Cost of production is one of the important factors taken into account in fixing the MSPs. The estimates of cost of cultivation/cost of production are made available to the Commission through the Comprehensive Scheme for Studying the Cost of Cultivation of Principal Crops. These data are collected with the help of State Agricultural Universities/Institutions.

Contdâ€¦2/-

(e): To provide adequate Minimum Support Price for pulses, Government implements Price Support Scheme (PSS). Under this scheme pulses of Fair Average Quality (FAQ) are procured directly from farmers through Central nodal agencies. This scheme is implemented at the request of the concerned State Government which agrees to exempt the procured commodities from levy of mandi tax and assist Central Nodal Agencies in logistic arrangements, including gunny bags, working capital for state agencies, creation of

revolving fund for PSS operations, etc. as required under the scheme guidelines. The procurement of pulses is undertaken by Central agencies at MSP as and when prices fall below the MSP as well as compliance of State Government to PSS guidelines. During the year 2016-17, Government undertook procurement operations for pulses in different States as per request. In addition to this during Kharif 2016-17 season, Government also procured pulses at MSP through Price Stabilization Fund (PSF) scheme.

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